

THE INCOME TAX--- "A Direct Tax Upon Incomes Is the Fairest Tax That Can Be Suggested." ---BY W. J. BRYAN

IS there any just rule for determining the proportion in which citizens should contribute to the support of the Government?

Adam Smith suggests a rule which must commend itself to every fair-minded person. He says: "The subjects of every State ought to contribute to the support of the Government as nearly as possible in proportion to their respective ability; that is, in proportion to the revenue which they respectively enjoy under the protection of the State. In the observation or neglect of this rule consists what is called the equality or inequality of taxation." In other words, a direct tax upon incomes is the fairest tax that can be suggested. All taxes are really income taxes, because all taxes are paid out of income; but an indirect tax may work great injustice, because its operation is concealed from the public view.

Local taxation in city, county and State is usually proportioned to the property of the citizen; but instead of being entirely equitable, a property tax is often collected almost entirely from visible property, leaving the invisible property free. Those who own real estate, horses, cattle, hogs, machinery and household goods cannot evade the assessor, but those whose wealth consists largely of money and evidences of indebtedness too frequently escape. Where visible property is taxed and the invisible property escapes the possessors of visible property are overtaxed, in order to make up for the evasion of those who possess invisible property. But even when a property tax is honestly collected upon all forms of property, real and personal, it is not as fair a tax as an income tax. Property may be temporarily unproductive. If a farmer pays taxes on his land the tax goes on, even though the crop may fail. If a money lender pays a tax upon his money his security may fail, or there may be default in the payment of the interest, while an income tax adjusts itself to the condition of the taxpayer, being large when the income is large, and small when the income is small.

Then, too, a property tax does not reach those who enjoy a considerable income under the protection of the Government and yet consume the income without investing in real or personal property. The income tax reaches all.

While our local taxes are not collected with absolute justice, we make a nearer approach to justice in local taxation than we do in the collection of our Federal revenue. Until the beginning of the Spanish war almost all of the revenue collected for the support of the Federal Government came from two sources—namely, internal revenue taxes and import duties. Internal revenue taxes, being collected on liquor and tobacco, are not collected from the people in proportion to their incomes, but in proportion to the liquor and tobacco they consume, and as the consumption of liquor and tobacco does not increase according to income, the taxes collected through this system are in effect graded income taxes, the largest per cent being, on the average, collected from the smallest incomes, and the smallest per cent from the largest incomes. Import duties collected on consumption are also in effect graded income taxes, bearing heaviest upon those with smallest incomes. It must be evident to the most casual observer that the burdens of the Federal Government, instead of being borne according to the rule laid down by Adam Smith, are too heavy upon the poor and too light upon the rich. The income tax provided by the Wilson bill was intended as a partial compensation for the injustice done by the other systems. The 2 per cent assessed upon individual incomes above \$4,000, while not sufficient to bring the rich up to an equality with the poor in taxation, was a step in the right direction. Much fault was found with the exemption

laid upon the possessors of small incomes by internal revenue taxes and import duties, it would be manifestly unjust to continue the inequality by making them pay a per cent equal to that collected from the possessors of large incomes.

The 2 per cent tax upon the net income of corporations was defended upon the ground that the corporation enjoys special privileges



William Jennings Bryan.
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provided in that law. Many who did not understand the reason for the exemption protested against it and insisted that the 2 per cent should apply to all incomes, large and small. But since excessive burdens are conferred by law and occupies much of the time of the Federal Legislature, the Federal Executive and the Federal courts. Just prior to the passage of the Wilson bill I obtained, through the courtesy of Secretary Gresham, statistics from a number of European governments.

I found that in Prussia the income tax had been in operation about twenty years, and that incomes under 900 marks were exempt, while the tax ranged from less than 1 per cent to about 4 per cent on larger incomes.

In Austria the income tax had been in operation about thirty years. Incomes under \$113 were exempt, while the rate ranged from 8 per cent up to 20 per cent on larger incomes. I found that in Italy incomes under \$77.20 were exempt, while the rate ran as high as 13 per cent on some incomes. In the Netherlands the income tax had been in operation since 1823. At the time investigation was made incomes under \$260 were exempt, and the tax ranged from 3 per cent to 3.15 per cent on

incomes over that sum. In Zurich, Switzerland, the income tax had been in operation for more than half a century. At the time investigation was made incomes under \$100 were exempt, and the rate on larger incomes varied from 1 per cent to 8 per cent. In England the rate for 1892 was a little more than 2 per cent upon incomes above \$2,000, and a little less upon incomes under \$2,000. All incomes under \$750 were exempt.

For nearly ten years during and after the civil war an income tax ranging from 2 1/2 per cent to 10 per cent was collected in this country. Exemptions ranged from \$600 to \$2,000.

Senator John Sherman, of Ohio, was opposed to the repeal of these taxes, and in the course of a speech said: "The Senator from New York and the Senator from Massachusetts have led off in declaring against the income tax. They have declared it to be invidious. Well, sir, all taxes are invidious. They think it is inquisitorial. Well, sir, there never was a tax in the world that was not inquisitorial. The least inquisitorial of all is the income tax. * * * There never was so just a tax levied as the income tax. There is no objection that can be urged against the income tax that I cannot point to in every tax. Writers on political economy as well as our own sentiments of what is just and right, teach us that a man ought to pay taxes according to his income and in no other way." Senator Sherman pointed out that at that time only twenty millions were collected upon incomes, while the food and clothing of the people were taxed three hundred millions.

Senator Morton, of Indiana, in opposing the repeal of the tax, said: "The income tax is, of all others, the most equitable, because it is the truest measure that has yet been found of the productive property of the country."

Senator Howe said: "There is not a tax on the books so little felt, so absolutely unfelt in the payment of it, as this income tax by the possessors of the great fortunes upon which it falls. There is not a poor man in this country, not a laborer in this country, but what contributes more than 3, more than 10, more than 20 per cent of all his earnings to the Treasury of the United States under those very laws against which I am objecting, and now we are invited to increase their contribution and to release these trifling contributions which we have been receiving from incomes heretofore."

But in spite of these protests the tax was repealed, and during the years that have followed the Government has continued this discrimination in favor of the rich and against the poor. Why? Because wealth has been assuming a larger and larger share in the control of the Government, and the rights of the masses have been less and less considered. A tax system which overburdens some and lightly burdens others is larceny by law; it is an indirect means by which one man's money is transferred to another man's pocket. In 1896 those who objected to an income tax, instead of arguing against the righteousness of the law, shielded themselves behind the decision of the Supreme Court and asserted that any discussion of the tax was an assault upon the honor of the court.

At present the Government can draft the citizen, but cannot draft the pocketbook. Slowly but surely the dollar is being exalted and the man debased. Justice in taxation must be restored.

The sentiment prevailing among those who advocate an income tax justifies the prediction that the Democrats, Populists and Silver Republicans will, in the next campaign, advocate an amendment to the Constitution specifically authorizing an income tax, and no one who has faith in the final triumph of every righteous cause will doubt the ultimate success of the effort to make an income tax a permanent part of the revenue system of the Federal Government.

W. J. BRYAN.

Well-Known Public Characters in a New Guise.

FABLES AND ANECDOTES OF THE TIMES

By Ambrose Bierce.

The Promises of a Conscientious President.

A GENERAL who was conducting a war in a distant island wrote to the Agricultural Department of his Government to ship him a ton of acorns. When asked what he intended to do with them he replied: "There is no shade in our trenches, and the troops suffer from heat. A growth of large oaks will add much to the comfort of the men in the firing line."

He would have said more, but his attention was arrested by a burst of song from a neighboring jungle.

"Ah," he sighed, "that is a round robin." And he walked sadly away.

By becoming a subject of the Queen of Muldoodle a citizen of Gorm incurred the hatred of the Gommeaux, who rose as one man and called him rascal.

"Your courts are kept pretty busy naturalizing immigrants," he retorted. "You have a great many rascals if it is rascally to forswear one's allegiance."

"It is only rascally," replied the Gommeaux, "to renounce one's allegiance to us."

A Man Out of a Job applied for relief to the King of the Quakes.

"What can you do?" His Majesty asked.

"I have been working lately as a Secretary of War," the Man Out of a Job replied, "but I was Routed out. That position in Your Majesty's Cabinet would, I think, be filled by me very creditably."

The King, being greatly pleased by the applicant's manner and appearance, walked across the audience hall to his Prime Minister.

"Tell me how to make a vacancy in the Cabinet," he said.

"Appoint one," said the Prime Minister. "And permit me, Sir, to recommend the one with whom you have just been speaking."

A Person who had been made President was walking along a lonely road when he met an Aspirant to Office and called loudly for help. But nobody heard except the Aspirant, who said:

"I have here seven hundred and fifty recommendations for my appointment as National Inspector of Dead Dogs."

The President fell upon his knees and explained that he had a wife and twenty-nine small children. The Aspirant put away the papers, taking some more from another pocket.

"These documents," he said, "are affidavits of my neighbors; they attest my fitness for the office."

The President wrung his hands and wept audibly. He said:

"Eight Cabinet officers are dependent on me for their bread, and most of them are orphans."



Ambrose Bierce.

The heart of the Aspirant to office was touched at last.

"I spare you," he said, putting away his papers and moving on, "for the sake of those who cannot. So keep your old National Inspectorship of Dead Dogs. It shall not be said that I am a hard man to deal with."

The President rose and dusted his knees. "I could not give it him without breaking my word," he said to himself. "I have promised it to sixteen others."

A Soldier struggling through a pestilential morass saw a Vulture perching on the branch of a tree and solemnly snapping its beak.

"What are you?" asked the Soldier, who had never seen a Vulture. "You look like the father of all chickens."

"Men call me all kinds of names," the bird replied, "according to the language that they speak. I call myself an Expansionist."

The Soldier grew very grave. "I was that myself until now," he said, "but if you are the thing to be expanded I shall have to think about it."

But when he tried he found that heaven had not supplied him with a thinker.

A Dum-Dum Bullet having touched a bone said:

"I am about to smash you into splinters of useless fineness instead of perforating you and going on about my business."

"Then I have the honor to inform you," replied the Bone, with great austerity, "that

you have been forbidden by the Peace Congress as a needless and cruel device. You will have the goodness to withdraw."

"As one of the horrors of war," the Dum-Dum Bullet said, "I cannot consent to relinquish myself, thereby making war less undesirable; do you think I ought? I pause for a reply." It added, fetching up against a stone wall in a shower of bone splinters.

A Near-Sighted Man to whom all coons looked alike was in Luzon, where he met one day a Gorgeous Being whom he mistook for the American Commander.

"General," he said, "do you not find the United States regulars and volunteers difficult to manage?"

"I might," the Gorgeous Being replied, "if I were Otis; but no, I am Aguinaldo."

St. Peter was sitting at the gate of Heaven when a Soul approached, and, bowing civilly, handed him its card.

"I am very sorry, sir," said St. Peter, after reading the card, "but I really cannot admit you. You will have to go to the Other Place. Sorry, sir, very sorry."

"Don't mention it," said the Soul; "I have been all the month at a watering place, and it will be an agreeable change. I only called to ask if my friend Chauncey Depew is here."

"No, sir," the Saint replied; "Mr. Depew is not dead."

"Oh, I know that," said the Soul. "I thought he might be visiting God."

The Average Advice Is Only Clap-Trap.

THE AMERICAN GIRL AND HER ADVISERS.

By Ella Wheeler Wilcox.

What Shall Be I Standards in Life?

THERE is probably no other creature on the face of the earth who asks and receives so much advice (and who follows so little of it) as the American girl.

The peculiar part of it is that, as a rule, she neither asks nor receives this counsel from parents or guardians, but from absolute strangers.

It has come to be a necessary feature of almost every American periodical, whether daily, weekly or monthly, to publish an "advice" column for the young person.

Persons of more or less literary attainments preside over this column and solicit the confidence of girls in need of advice.

It is possible that many of the queries propounded by correspondents in these departments are really written by young girls, but it is more than probable that the greater portion are the production of mischievous masculine brains, bent on making women ridiculous.

There is a sort of fascination to a simple, uneducated girl to see herself, even under an assumed name, in print.

She likes to promenade her little worries and heartaches through leaded lines and to feel that her questions have obtained the distinction of a reply in black and white type.

It is hardly probable that she ever forgets,

even in her lowly position, the dignity of womanhood sufficiently to propound some of the queries which are attributed to her in these "advice" columns.

And it is certain that she does not need the instructions which are frequently given her.

A great many people are no doubt benefited by the information obtainable in print regarding table etiquette and the code of cards and matters of formal behavior in which neither nature nor kindred has instructed them. But no girl needs a magazine or newspaper chaplain to tell her "how to be fascinating," or "how to be modest," or "how to behave in the presence of young men," or "how to entertain the man she loves."

It is an insult to the good sense of our American girls when this sort of instruction is given them by the column. It may amuse them, and it is quite possible that they sometimes draw it forth merely for the purpose of amusement. But it is absolutely certain that they do not attempt to follow the dictates of these unknown counsellors.

The American girl is a unique creature. Nowhere else under the sun exists anything like unto her. She is at once modest and bold; chaste as a nun and wise as a woman of the world; as tantalizing as a kitten and as austere as a priestess, if her delicacy is shocked.

She does as she pleases with men, but no man does as he pleases with her until she chooses him for her master.

She has heard and read all about wickedness and knows it exists, and she is absolutely good, because she wants to be.

She is a paradox to the foreign mind and a delight to the American man.

He admires her for her independence, her common sense and her powers of comradeship.

She is the most companionable and entertaining creature on the face of the earth. He is not afraid to talk on any subject with her, and he usually gains new ideas by doing so. She can dance, play golf, swim, dive, walk, read Browning, talk philosophy, or flirt, as his mood may be.

I have known scores of such girls, and I am meeting new ones every day.

What impertinence, then, it seems for any one to attempt to teach this sort of young person how to be entertaining! As well tell the butterfly how to be graceful and attract the sunbeam.

The attitude of the American parent to the daughter is peculiarly interesting.

The average American father admires, respects and trusts his daughter more than any other person in the world.

He would as soon expect the sun to fall from

heaven as his daughter to stoop from her heaven of morality.

Even when he has been a wild youth himself and known wild girls, and in the face of the fact that his daughter resembles him in feature and temperament, he expects absolute perfection from her.

It is doubtless due to this parental expectation that so great a majority of American girls walk safely through unprotected paths. There is no stimulus like the faith of those we love.

I admire this attitude of the father when it is mixed with wisdom and judgment; I deplore it when it is merely blind faith and an outgrowth of egotism.

When a father can say, "My girl will not go wrong or do an indiscreet act, because I have talked with her, and her mother has talked with her freely regarding men and morals, and she knows through us what the world is and fully understands the meaning of the word womanhood. We trust her implicitly, and she can never do an unwomanly act," then a father's respect for his daughter is beautiful and commendable.

But when, without parental advice or counsel, she is merely left to follow her own impulses and to do exactly as she pleases, and the father, be-

lieves she can make no error because she is his child, both parent and offspring are to be commiserated.

Yet the fact that so many American girls, reared in this atmosphere of blind ignorance and faith, grow up despite it and the dangers it entails into a fine womanhood, speaks wonders for the sterling qualities of which our young women are made.

The American girl is seen at her best in the various Summer resorts of our land. I do not mean at Newport or Saratoga or the other more conspicuous resorts of fashion or gayety.

One finds her at these places, to be sure, with many gowns and few beads; but in the scores of beautiful and restful nooks which are scattered along the Atlantic coast thousands of our young women pass one or two of the Summer months with their families, and enjoy a freedom of conduct which would send a foreign parent into spasms of consternation to witness, but which American fathers and mothers behold without a tremor.

Unchaperoned and unprotected save by their own good sense and delicacy of thought, these beautiful girls drive, walk, bathe, and sit in the moonlight with young men from morning until the entrance lights begin to disappear, and there is no one

unless it be some pessimist or foggy, to utter a protest.

For it is at the lesser resorts, where arbitrary rules of fashion are tabooed, that the young men are to be found.

Among these thousands of young women who live this life of freedom during the Summer it is rare that one ever becomes a victim of unpleasant gossip; it would be safe to state that not an average of one in one hundred ever subjects herself to the tongue of scandal.

Meanwhile every Summer there are charming romances enacted and new homes established, and the purpose of the world goes on—and all without the aid of the "Talks with Girls" column, however that may thrive in this land of many periodicals and newspapers.

The world has been in existence a long time, and will exist many millions of years to come. But I doubt if men and women ever did enjoy or ever will enjoy more charming associations than are existing in America to-day in the less pretentious walks of life, where love—not ambition—and good sense and self-respect—not Madame Grandy's rule—dominate conduct and guide action. And never can the world hope to surpass in all the process of evolution its delightful, paradoxical, immutable American girl.

ELLA WHEELER WILCOX.